



Town of Stow
PLANNING BOARD

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Stow Planning Board Agrees to Settlement to Complete Whispering Woods Subdivision

On March 13, 2006, after battling with RLI Insurance Company of Peoria, Illinois for almost three years, the Stow Planning Board and RLI agreed to a settlement in the amount of \$100,000.00 plus reimbursement of legal fees incurred by the Town to recover payments guaranteed by a performance bond issued by RLI for the completion of the Whispering Woods subdivision.

RLI Insurance Company refused to honor the bond, and litigation ensued. In addition to challenging RLI's default on their obligations under the bond agreement, the Planning Board asserted that RLI acted in bad faith pursuant to the Massachusetts Consumer Protection statute. Although confident that the Town would prevail in litigation, the Planning Board felt that it was in the best interest of the Town and specifically the residents of Kettell Plain Road to settle at this time. The alternative would most likely have taken several years to complete the legal process with Kettell Plain Road residents living with unacceptable conditions for an undetermined amount of time.

The settlement amount was based upon a determination by the Stow Highway Department that \$100,000.00 should be sufficient for completing Kettell Plain Road as well as additional items from the original subdivision plan that were not completed, although not necessarily in strict accordance with the original plan.